

Insight report

Insight on data and individual cases relating
shared ownership



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Introduction

On 16 September 1975, John and Denise Elliot were the first people in England to purchase their home through shared ownership.

Thousands have followed in their footsteps, yet on the eve of the product's half century, it is one that has continued to face strong criticism.

These criticisms stem from its inherent complexity, fundamental inequities in its design, and responsibility for residents without the same level of control.

Despite these issues, the tenure has endured where other government mechanisms to support home ownership have withered. This reflects both policy makers attempts to respond to some of the criticisms, from the model lease to the introduction of the initial repair product, and the role it has performed in supporting overall affordable housing supply.

And I use the term 'product' because, unlike our casework relating to tenants or leaseholders, at the core of shared ownership complaints is a complex financial product - as well as a home.

It is not for me or this Service to proclaim shared ownership a good or bad thing – but the cases we investigate should contribute to improved experiences for shared owners and the continued evolution of the product.

The Select Committee's report in March 2024 has prompted further debate.

Our report aim is to inform that debate. One of the most striking lessons from our review is the ability of landlords to successfully recover service failures in their complaints process compared to other tenures. This must provide lessons for overall handling.

However, it also shows that services are still going wrong and there are common and repeated reasons why.

These are:

Miscommunication - Miscommunication is more than poor communication – our casework shows that residents' expectations are not always managed effectively and roles and responsibilities between the landlord and shared owner are not always transparent from the outset.

It is vital for landlord communication to be clear to support the buyer's decision-making and understanding of future charges, staircasing and selling. This is particularly important concerning charges, given shared ownership is designed for residents for whom affordability may already be a challenge. It is also important to smoothly handle the transfer of the relationship from the sales to the operational teams.

Complexity - A simple concept has led to a complex product. The delivery of shared ownership may mean third parties are often involved; a freeholder or developer that is different to the landlord and managing agent that is not appointed by it. There can also be different landlords operating on the same estate, handling similar issues in different ways. Too often, shared owners are left isolated to navigate these diffuse and opaque arrangements. It is vital landlords do not lose sight of their obligations to support shared owners. Landlords may be responsible even when they are not accountable, and fire safety has emphasised this difference.

Maintenance - The Select Committee raised concerns about a '2-tier' approach following the introduction of the initial repair period in 2021. The handling of repairs can be problematic in all tenures, and our casework on shared ownership illustrates once again how the complexity of the product and its delivery can lead to confusion and delay in resolving repairs. This includes defects being categorised as repairs or the resident expected to undertake a repair the landlord is responsible for. In future we expect to see complaints about the initial repair period and our report provides guidance for landlords on how we will approach these issues.

These themes are similar to those we examined in our [Spotlight report on leasehold, shared ownership and new build](#) in September 2020. It is important for landlords to consider the recommendations of that report as the more recent examination of our casework suggests they remain relevant.

Our review also shows that in several cases landlords have responded well to complaints. This is to their credit. Effective communication is evident in those cases. Where complaint handling is weaker, poor knowledge and information management has compounded service failings. The complexity and number of leases being handled by the landlord, particularly as a result of mergers, can exacerbate this problem.

So, what does our casework indicate about the future of shared ownership? This report makes several practical recommendations to improve the experience of shared owners. It sets out 9 tests for how we may assess shared ownership complaints in future. This also includes the potential for us to consider ‘test’ cases under paragraph 48 of our Scheme.

Given continued reports of dissatisfaction amongst shared owners, it is vital shared owners can access the complaints procedure and Ombudsman, awareness of their rights is increased, and any gaps in redress closed. Finally, any future reform of shared ownership must address the recurring reasons for dissatisfaction and service failure that is evident in our casework. This may be future changes to the model lease or new codes of practice, such as the one being proposed by the Shared Ownership Council. Whether there is more fundamental reform to reflect the challenges of home ownership affordability in the 21st century remains to be seen.

Richard Blakeway

Housing Ombudsman

Background

What is shared ownership?

Shared ownership is where the buyer buys a share of the property and pays rent to a landlord on the remaining share, along with ground rent, and service charges. The buyer can then buy more shares in the property in a process known as 'staircasing'.

There is no specific mandatory code of practice for landlords in managing shared ownership. However, there is increasing recognition of the need for one. The [Shared Ownership Council](#), a group of housing professionals supported by several registered providers, seeks to ensure consistent, accurate, and transparent information for shared owners and those looking to purchase a share in a home. The Council is currently consulting on a code of practice for industry bodies, including landlords. The Housing Ombudsman refers to relevant codes of practice in our casework and this code, if adopted, would become part of our framework for decision-making.

What can the Ombudsman do?

Paragraph 25(a) of the [Housing Ombudsman Scheme](#) (the Scheme) says that those who are in a landlord/tenant relationship with one of our member landlords can complain to the Ombudsman. This includes shared owners. It also includes applicants for shared ownership homes. If a resident then staircases to 100% ownership of a leasehold home where a member landlord is the freeholder, they also have rights to use the Scheme as a leaseholder.

Registered providers of social housing are required by the Regulator of Social Housing, by membership of our Scheme, and by our [Complaint Handling Code](#) to signpost residents (including shared owners) to complaints procedures and the Ombudsman. As with all other types of residents, shared owners should not be prevented from accessing their landlord's complaints procedure.

What complaints cannot be considered by the Ombudsman?

Each year, around 10% of complaints brought to the Ombudsman are about matters we may not or cannot consider in accordance with paragraph 41 and 42 of the Scheme. What we can and cannot consider is called the Ombudsman's 'jurisdiction'.

Rent and service charge levels and increases

Most of the complaints the Ombudsman has not been able to consider from shared owners are about the level of rent or service charge, or the amount of a rent or service charge increase. These were complaints where determining the complaint would require the Ombudsman to decide the correct or fair level of the charge or increase, which are more appropriately decided by the First-tier Tribunal (Property Chamber).

Caveat emptor

The second most common type of shared ownership complaint the Ombudsman did not consider was where disputes arose about the condition of the property during the process of buying shares in a property.

The purchase of any property is subject to the principle of *caveat emptor*. This is a Latin phrase meaning "let the buyer beware." This means that sellers are not held responsible for any issues or defects with the property, and buyers must take full responsibility for their own decisions prior to buying a property. In property transactions the seller is legally obliged not to mislead the buyer, but other than that, the onus is on the buyer to satisfy themselves that the property is in the condition they want before they buy it.

The Ombudsman determines complaints based on what is, in its opinion, fair in all the circumstances of the case. Where a complaint requires a decision on a point of law, it will be more effectively dealt with by the courts or a tribunal. These cases are not within the Ombudsman's jurisdiction.

This means that where a shared owner complains that the landlord misled them about the condition of the property and what, if any, issues or defects the landlord was aware of at the point of sale, the Ombudsman may decide that the matter can be more effectively dealt with by the courts. The same is true where determining a complaint would require a legally binding interpretation of a lease.

The Ombudsman may still decide to consider the fairness of the landlord's actions in such a case if the matter or aspects of the matter can be resolved this way.

Complaints decided by another body

Other complaints the Ombudsman cannot consider include those about:

- valuations, which can be decided by [District Valuer Services](#)
- claims for financial losses in equity, legal costs, and court fees, liability for which can be decided by the courts
- allegations that one or more of the parties has breached the terms of a lease, which can be decided by the courts
- the sale or disposal of local authority-owned properties, which can be considered by the [Local Government and Social Care Ombudsman](#)

What complaints do we see?

The Government's Levelling Up, Housing and Communities Committee published a [report on shared ownership](#) in March 2024. The report found little evidence that shared owners were aware of their right to complain to the Ombudsman. It recommended the Government ensure shared owners are made aware of this. While its conclusion was based on there being very few references to our Service in the written and oral evidence it received – rather than directly asking shared owners - we agree that more must be done to make sure shared owners are aware of their right to redress.

The proportion of complaints we receive and determine each year from shared owners is the same proportion as the percentage of social housing that is shared ownership – 6%¹.

This may indicate that shared owners have the same level of access to, or awareness of, complaints procedures and the Ombudsman as other residents. However, there may still be shared owners who do not know where to turn to resolve particular disputes due to the complexity of the product.

The high level of dissatisfaction amongst shared owners suggests that more complaints should be coming to the Ombudsman². This report considers below how access and awareness could be improved.

Key data

The profile of complaints made by shared owners differs from the overall profile of social housing complaints. While property condition and complaint handling are the top 2 issues raised, the next most complained of issue for shared owners is charges, not the handling of anti-social behaviour.

Complaint topics	2023-24 findings made for shared owners
Complaint handling	266
Property condition	193
Charges	99
Estate management	86
Buying or selling a property	76
Anti-social behaviour	42

¹ Regulator of Social Housing, [Registered providers social housing stock and rents in England 2022 to 2023 - Stocks and rents profile](#), October 2023

² [Housemark reveals exclusive first look at the sector following publication of draft tenant satisfaction metrics - Housemark](#)

Health and safety (including building safety)	37
Information and data management	23
Staff	12
Reimbursement and payments	7
Occupancy rights	4
Resident involvement	3

A greater proportion of shared ownership complaints result in findings of reasonable redress than those across other tenures – 13.5% of findings are for reasonable redress, whereas the reasonable redress rate for all other tenures is an average of 8.6%. Correspondingly, the maladministration rate in complaints from shared owners is slightly lower – 70.1% compared to an average of 73.2% across all other tenures.

Lessons from recent investigations

We considered cases investigated over the past 12 months between July 2023 and June 2024. Themes of complaint handling and knowledge and information management run throughout the cases.

Sales process

Landlords sometimes offer financial incentives when selling shared ownership leases, such as money towards various costs or a period of discounted service charges. Any such incentives need to be communicated clearly, recorded correctly, and honoured.

Sage Housing

In case [202201359](#), **Sage Housing** offered to pay £1,200 toward the resident's legal fees incurred in buying a share of the property but did not record this offer on its systems. Therefore, it was not included in the memorandum of sale or completion statement, leaving the resident in distress as they were unable to afford to buy the property.

The landlord subsequently made the incentive payment but did nothing to remedy the distress and inconvenience caused by its error. We found service failure and ordered further compensation.

Key learning for the sector

The Ombudsman's **Spotlight on leasehold, shared ownership and new builds** found landlords must make sure prospective purchasers are given clear information regarding the property that they are purchasing, and that the legal obligations set out in the lease are clear. This should include information on the responsibilities that will fall to the resident, those that are kept by the landlord, and where relevant those that fall to a third party.

Metropolitan Thames Valley Housing

In case 202210763, **Metropolitan Thames Valley Housing** did not include the correct rent and service charge levels on the memorandum of sale and did not include any information about the upcoming major works that the shared owner was expected to financially contribute to. This information had neither been requested by the resales team nor given to the sales team by the relevant department. The landlord acknowledged its errors in response to the formal complaint, but did not adequately consider the distress, inconvenience, time, or trouble incurred by the resident in getting the landlord to acknowledge the error. We found maladministration and ordered an additional £700 in compensation.

Key learning for the sector

Clear communication is essential, so that the resident understands their responsibilities and the role of the landlord. This is a significant purchase for most residents and clear, open, and transparent communication is essential. Miscommunication could lead to issues later, giving rise to complaints and making them harder to resolve. It also compromises internal communication when the relationship transfers from the sales team to the operations team, but expectations have not been handled appropriately.

Orbit Group

The process of buying or selling property is prone to setbacks and delays. However, in case [202228138](#), delays in processing the resident's staircasing application were almost entirely within the landlord's control to avoid.

Orbit Group delayed in instructing its solicitors and in communicating with all relevant parties throughout, causing distress to the resident who also incurred additional time and trouble in pursuing the matter. The landlord recognised and compensated for some of these failures in its complaint responses but did not acknowledge or compensate for the full extent of the delays which our investigation found it was responsible for. We found maladministration and ordered an additional £350 in compensation.

The Guinness Partnership

Conversely, in case 202224609, labour and materials shortages that were the responsibility of a separate developer and outside the landlord's control caused delays in a new build property being completed.

The Guinness Partnership explained this clearly when the resident complained, and we found no maladministration.

Key learning for the sector

The sales process can take a long time and there are no set timescales. However, when responding to complaints about delays in the sales process, the Ombudsman expects landlords to fairly consider each point of the process and whether its actions or omissions caused avoidable or unreasonable delays. A fair assessment along with providing adequate redress (where appropriate) will go a long way toward resolving the dispute.

Tone in communication is also important, as a delayed home purchase can cause disruption, frustration, and anxiety to the resident. Unlike a conventional home purchase, by design shared ownership means there is a long-term and more involved relationship between landlord and resident and effective communication from the outset will build trust in that relationship.

Our **Spotlight on Knowledge and Information Management (KIM)** found that incorrect information held on landlord systems can cause real detriment, including direct and indirect financial loss.

A2Dominion Group

The KIM Spotlight report referred to information management problems arising during mergers. In case 202220221, the resident's father had bought the property decades previously but could not find the relevant paperwork. The resident contacted **A2Dominion Group** to enquire about selling the property. The landlord's records, inherited during a merger, showed the resident owned 100% of the lease. The resident arranged to sell the property on that basis. The landlord then discovered that she owned just 75% of the lease. This error cost both the resident and the landlord a significant amount of money.

The landlord offered reasonable redress for its records-based service failure but did not adequately investigate or respond to the resident's formal complaint. We ordered an additional £250 compensation and recommended that the landlord consider our [Spotlight report on Knowledge and Information Management \(KIM\)](#).

Riverside

In case 202217861, **Riverside's** systems held incorrect information about the property type meaning that it wrongly told the resident that he could buy the freehold of the property. The resident began the process of purchasing the freehold, incurring costs, before the error was uncovered. The landlord in this case made a significant offer of redress which the Ombudsman determined was reasonable.

Key learning for the sector

It is vital landlords understand the different responsibilities on their estates. We have seen several cases recently where part ownership of newly built estates has proved difficult to decipher because of failures during conveyancing, planning or poor information sharing at handover.

Grand Union Housing Group

In case [202215462](#) (**Grand Union Housing Group**), a dispute arose about the use of an external space. A neighbour's title plan included a parking space in error; the space was marked "Keep Clear" to aid turning vehicles.

whg

In case [202219666](#) (**whg**) a planned parking space was not transferred to the landlord by the developer, and the wording of the title deed omitted the parking space. In both cases, we found maladministration. Both landlords had been unaware of the errors in the deeds.

Key learning for the sector

Good knowledge and information management is essential to the sales process, and failures can be extremely costly. Information provided to purchasers must be rigorously checked for accuracy. Landlords should make sure they are confident that all the relevant information held on their systems about properties, leases, and responsibilities is accurate and up to date.

Defects

The developer is responsible for any structural issues and minor defects found within a 'defect liability period', which can last up to 2 years. After that, a warranty applies to cover structural issues and faults in the design, materials, or workmanship that existed when the construction was completed but were not apparent at the time. Depending on the circumstances this warranty can last up to 15 years.

Our September 2020 [Spotlight on leasehold, shared ownership and new builds](#) report pointed out that residents are reliant on the landlord to pursue the developer during the defect period, and landlords must do so effectively. Failure to do so can cause immediate and lasting detriment to the landlord/tenant relationship.

Bromford Housing Group

In case 202231843, the resident reported a roof leak within days of moving in - well within the defect liability period. **Bromford Housing Group** reported this to the developer, which did not complete the necessary repair.

Rather than chase the developer, the landlord wrongly told the resident she was responsible for the repair when it was a defect and recommended that she make an insurance claim. This approach, compounded by delays in the complaint's procedure, meant it was nearly 4 years before the defect was remedied by the developer.

We found maladministration and ordered £950 compensation. We also ordered the landlord to review its policy and procedure to make sure it included details of the action it would take when defects are not addressed by the developer.

Build quality can vary, and a poorly constructed home can cause years of disruption to residents.

The Guinness Partnership

In case 202224609, there was a long, ever-growing list of snags and defects during the first 12 months. The resident diligently reported all defects. The constantly growing list of problems made co-ordinating responses and fixes harder, but while **The Guinness Partnership** responded to the resident's emails, it rarely followed up with the promised actions and the resident had to spend a lot of time chasing. There was no evidence the landlord took steps to manage the resident's expectations about how long repairs would take.

It offered a reasonable amount of compensation, but the defects were still outstanding by the time of our investigation. We found maladministration and ordered the landlord to provide a clear action plan to remedy the defects, which we are monitoring until complete.

Where problems arise at a new build property and the developer does not remedy defects identified during the defect liability period, the landlord or freeholder may withhold a percentage of the monies owed to the developer and use that to remedy defects itself.

Great Places Housing Association

However, in case 202218300, **Great Places Housing Association** warned the developer it would do this, but then did not. It was eventually over a year after the end of the defect liability period before the developer remedied the leak. We found maladministration and ordered £600 compensation.

Key learning for the sector

Effective communication with developers is essential to the beginning of the landlord/tenant relationship in a new build property. Landlords must be proactive in handling the defect period with the developer. It is also important to maintain clear communication with the resident to show ownership and responsibility while managing expectations.

Developers are expected to register with the [New Homes Quality Board](#) and comply with the requirements of its [Quality Code](#). While this Code does not yet apply to shared owners, landlords and shared owners may benefit from being familiar with this Code and what they should expect from developers.

Cladding

After the devastating fire at Grenfell Tower in June 2017, issues arose with building safety compliance and valuations. Shared owners in affected blocks were left unable to sell, staircase, or re-mortgage their properties until any issues with the cladding on their blocks were resolved.

As formal complaints about this began to appear in our casework, the Ombudsman published a [guidance note](#) in October 2020 which set out our expectations for how landlords should handle complaints about cladding. Our subsequent [Spotlight report on dealing with cladding complaints](#) the following year assessed evidence from our casebook about how landlords were responding to these complaints and identified learning for the sector.

One of the important threads in our guidance note and Spotlight report is communication. The Ombudsman expects landlords to keep residents informed and manage expectations. Understandably, residents may be concerned that the exterior of their block has the same defects that led to tragedy. Sensitive and prompt communication about fire safety matters is essential but this is often lacking.

L&Q

In case 202216610, we found unreasonable delays by **L&Q** in its communication which caused the resident avoidable distress.

It was clear that the resident, who wished to sell her share of the property, believed the landlord's inspection of the cladding would be quickly followed by an EWS1 certificate. This was not correct, but the landlord did nothing to dissuade her of this until she chased it several weeks later. It committed to provide the results of its inspection within 8 weeks, but this took 16 weeks – twice as long as promised, and 5 months after the inspection. No reasons were given for the delay, despite the resident chasing the landlord on at least 6 occasions. It did not tell her when the relevant safety certificate would be issued nor whether it would pass the cost of remedial works on to leaseholders and shared owners. We found service failure and ordered compensation.

Clarion

In case [202215200](#), **Clarion** told residents that the cladding and insulation on the building presented an unacceptable fire risk and needed replacing with safer materials, but then did not maintain communication afterwards. This left the resident distressed and feeling unsafe in her home. We found service failure and ordered additional compensation.

The Ombudsman also expects landlords to consider the individual circumstances of a complaint and any support or help that can be provided to shared owners looking to sell their homes.

Southern Housing

In case 202128671, the resident complained that because **Southern Housing** had not kept up with changes in guidance about cladding, she had been unable to sell the property. The landlord's policy prohibited it from fully buying back the property, which is contrary to the Homes England Capital Funding guidance. Our Spotlight report also urges landlords to consider full buy-back in exceptional circumstances.

Estuary Housing Association

Similarly, in case [202218007](#) we found that **Estuary Housing Association** should have considered and discussed the possibility of sub-letting or buying back the resident's shared ownership property earlier, given that it knew she wanted to sell and was aware of her mental health problems including post-natal depression which combined with disrepair and financial struggles, made staying in the property extremely difficult for her.

In both cases we found maladministration and ordered additional redress. In the former case, we also ordered the landlord to review the training available for staff around the interpretation of leases and made a wider order that it review its buy-back policy.

Key learning for the sector

We are still seeing cases where landlords are not doing enough to communicate regularly and empathetically with residents about cladding issues, despite the importance of fire safety and the emotive nature of the subject. We are also seeing landlords not doing enough to help residents mitigate for the consequences of cladding issues. Landlords should re-assess their approach against our guidance note and Spotlight recommendations and realign policies and procedures if necessary to ensure that they are adequately communicating with residents while exercising discretion in dealing with individual cases.

Repairs

Over a quarter (27%) of the shared ownership complaints we investigated between April 2023 and March 2024 were about repairs.

It is important landlords are aware of their obligations. The landlord will generally be responsible for repairs to the outside (structure and exterior) of the property while the shared owner is responsible for repairs to the inside, regardless of the percentage they own. In practice, landlords often carry out repairs and maintenance and recover the cost from shared owners via service charges.

Homes built under the current Affordable Homes Programme are let under standard terms, including that, for the first 10 years, the landlord must contribute up to £500 per year to the cost of certain repairs. The Levelling Up, Housing and Communities Committee was concerned this would lead to a “2-tier market” where homes built before this programme came into effect in 2021 are considered less attractive and harder to sell. The Government responded in May 2024 saying it has encouraged landlords to apply the new standard terms to agreements on the older properties. We set out below guidance on how we will handle complaints relating to the new standard terms.

VIVID Housing

In case 202232756, the resident was experiencing damp, mould and excessive cold in the property. She could not open the windows and contacted **VIVID Housing** to have them repaired. The landlord asked the resident to point out which terms of the lease obliged it to repair or replace the windows. The lease clearly said that the landlord was responsible for repairs to the windows, and it was inappropriate of the landlord to challenge the shared owner on this point. The resident obliged and the landlord later accepted responsibility. The unnecessary challenge caused an avoidable month-long delay. It then identified the need for new windows but did not install these for 18 months, during which period it also failed to complete other urgently needed repairs, leaving the resident suffering the effects in her home for far longer than necessary. We found maladministration and ordered £1,660 compensation.

Sovereign Housing Association

Sometimes, landlord actions or omissions have caused damage or prevented a shared owner from being able to effectively discharge their own obligations. In case [202218855](#), **Sovereign Housing Association** (now **Sovereign Network Group**) failed to provide an adequate grounds maintenance service, leading to brambles damaging pipework. The landlord did not consider whether its failures had led to the damage and whether it should therefore carry out the repair or cover the costs incurred by the resident. The landlord had offered appropriate compensation but had not demonstrated that it had learned anything from the complaint.

We found maladministration, ordered the landlord to apologise, and to provide the Ombudsman with evidence that it had made changes to its estate management procedures because of this complaint.

Shepherds Bush Housing Association

Sometimes serious problems arise which can take a significant time to remedy, requiring good communication with the multiple parties involved. We investigated 2 complaints from residents of a block owned and managed by **Shepherds Bush Housing Association** ([202120508](#) and 202122799). The block was considered 'at risk' by a gas engineer who discovered unsecured gas pipes, some of which had collapsed under their own weight.

The landlord dealt with it reasonably, and communicated well with residents, explaining that the problem is likely to take some years to remedy fully. The landlord is consulting with residents on the future of the block.

Key learning for the sector

Landlord staff must be fully aware of their responsibilities under the lease and must respond reasonably to reports of repairs and defects taking those responsibilities into account. Again, effective communication and records management are essential to handling complaints about repairs in shared ownership properties.

Charges

Shared ownership residents pay rent for the landlord's share of the property. The Ombudsman cannot consider complaints about the level of rent or the amount of any rent increase.

Shared ownership leases can allow landlords to recover reasonable charges from residents to cover costs including, but not limited to:

- cleaning and maintaining communal areas (service charges)
- maintenance of communal areas that are not covered by the service charge, such as roads (estate charges)
- buildings insurance
- administrative costs
- 'sinking fund' or 'reserve fund' - money collected by the landlord to cover the cost of future large expenditure, for example, a new roof or replacement lift

Anyone paying a service charge, including a shared owner, has the right to ask for a summary showing how the charge is worked out and what it is spent on, and see any paperwork supporting the summary, such as receipts. Landlords are legally obliged to provide this on request.

As with rent, the Housing Ombudsman cannot consider complaints about the level of any charge or the amount of any increase.

However, we can consider the openness and transparency of the information provided, communication, and consultation, as well as the quality of the service given.

West Kent Housing Association

If a landlord can show that its decisions are fair and reasonable, we are unlikely to find maladministration. In case [202222048](#), the resident complained that **West Kent Housing Association** had decided to carry out cyclical decorations, the cost of which was part of her service charge, which she did not think were necessary. We found that the landlord had acted appropriately both in terms of the lease and its own policies and procedures. Its responses to the resident's concerns were considered, thorough and reasonable, and it offered to help if she found it difficult to afford the service charges.

Hexagon Housing Association

In case [202210842](#) (**Hexagon Housing Association**), we found severe maladministration after there were significant and unreasonable delays in the landlord's handling of requests for service charge information. It had repeatedly assured the resident it would make sure it could provide information, but by the time of our investigation it still had not done so. We made orders to remedy the individual dispute including £2,300 compensation.

We also ordered the landlord to carry out an independent review of the way it provides service charge information to residents and consider whether there was a systemic or cultural problem causing the failures found in our investigation of the case.

Peabody

In case 202214097, **Peabody** did not take appropriate steps to chase the managing agent for service charge information to pass on to its residents. At the time of our investigation in 2024, residents still had not received the requested detail about charges from 2020 onward, despite regular chasers over a period of at least 18 months. By this time, the landlord had sought legal advice about the difficulties it was having with the managing agent, who had been appointed by the freeholder (not the landlord) to administer services to the block.

We found maladministration and ordered £400 compensation, along with recommending the landlord follow up on its legal advice, keep residents regularly informed, and make sure staff are aware of how to escalate problems with managing agents.

Moat Homes

In case 202203953, the resident queried the charge for a roof repair carried out by **Moat Homes**, which he felt should be claimed from the buildings insurer and not residents. He also raised other concerns about charges including grounds maintenance. The resident complained a month later when the landlord had not responded. The landlord delayed for several months before providing the requested information. We found maladministration and ordered £500 compensation, and that the landlord train staff on responding to service charge queries.

Key learning for the sector

Landlords must be able to show that services paid for by residents are being provided and assure themselves of the standard and quality of those services. Clear information for staff about the terms of shared ownership leases and a good understanding of policy and procedure is essential.

Landlords should also be clear in communication with residents about what they are being charged for and the services they can expect to receive in return.

Managing agents and freeholders

The Ombudsman's [Spotlight on landlords' engagement with private freeholders and managing agents](#) (published in March 2022) made several recommendations to improve the engagement between landlord, agent, and resident. This includes the landlord being expected to monitor and address poor performance of an agent it has appointed as if the service was 'in-house'. Further, the landlord may still need to act on behalf of its residents to resolve issues via a managing agent even where that agent is appointed by the freeholder.

Southern Housing

The landlord in case [202111872](#) did not take this approach. **Southern Housing** was not the freeholder of the block, and when a structural issue was found to be causing damp and mould in the resident's home the landlord said it was the freeholder's responsibility. There was no evidence it communicated with the freeholder or the freeholder's managing agent when it became clear there were delays in remedying the problem for its resident. Despite the resident's health concerns, the landlord did not adequately assess the risk or take any action. It also did not keep adequate records, and its complaint handling was consequently compromised. We found maladministration and ordered the landlord to inspect the property and ensure the necessary repairs were carried out by the relevant party, along with £1,200 compensation to the resident.

Midland Heart

The interactions between various leases can cause problems. In case 202207904, there were 4 parties involved in the sale of the property:

- the executor of the deceased shared owner's estate
- the landlord
- the freeholder (a private company)
- the prospective buyer(s)

The lease included use of the car park, but access to the car park was via land belonging to yet further parties. No provisions had been made for this in the lease and, when this came to light during the sales process, consecutive buyers pulled out of the purchase. In this case, we found that **Midland Heart** had acted reasonably by offering to pay for indemnity insurance which all solicitors involved agreed was an adequate safeguard.

Orbit Group

In case [20220757](#), **Orbit Group** was unable to find who was responsible for the maintenance of a play area on the estate, despite including it in service charges. It suggested the resident make enquiries with the managing agent, rather than take any responsibility for finding out who was responsible.

The managing agent said the park was the responsibility of the local authority, but the local authority said it was the managing agent. In the interim, the park had not been maintained by anyone. The landlord wanted to reimburse appropriate service charges but could not decide how much of the service charge was for the play area. The landlord did eventually contact the managing agent but described doing so as “a gesture of goodwill” toward the resident. We found maladministration and ordered the landlord to apologise, refund service charges relating to the play area, provide £2,000 compensation, and that the landlord meet with the managing agent to decide ownership and responsibility for the play area.

Home Group

The sales information for the property in case [202208081](#) said it came with access to a roof terrace, which was confirmed when the resident viewed the property. Once he moved in, he found the gate to the terrace was locked. As he was paying a service charge relating to the terrace, he asked **Home Group** about access. Eight months later, after several chasers, the landlord responded that it had contacted the managing agent and its legal team.

Several residents in the block complained that the social housing tenants had been segregated from the private owners who had access to the roof terrace. It took almost 2 years before access was provided for residents, during which time the landlord was largely inactive in pursuing the managing agent. In this case, the landlord made a reasonable offer of redress after identifying and acknowledging its failures.

Key learning for the sector

Landlords must make sure that they know their estates, their responsibilities, and the responsibilities of other agencies. They must also remember their responsibilities to their residents and deal with those other agencies accordingly. When new estates are handed over from the developers, landlords should pay close attention to ensure they are receiving what they expected to receive.

Looking to the future

Raising awareness

Evidence examined by the Select Committee showed shared owners are not necessarily aware of the option of escalating unresolved complaints to the Housing Ombudsman. The Committee therefore proposes more effective signposting. While the volumes of complaints from shared owners coming to the Ombudsman is proportionate to the number of homes, there is evidence which suggests the dissatisfaction rate amongst shared owners is higher than social rent. This suggests a higher volume of complaints should be coming to the Ombudsman.

This is a concern, although that landlords are comparatively more effective at resolving complaints from shared owners could explain why this is not the case.

It is vital that shared owners know their rights. This includes their complaints being handled in line with the [Complaint Handling Code](#), being able to escalate them to the Ombudsman and to know what we can do to help.

To address concerns that shared owners are unclear on their right to escalate complaints to the Ombudsman, we will undertake awareness raising activities with shared owners.

Our approach will be informed through engagement with shared owners on the Ombudsman's Resident Panel. It could include a Meet the Ombudsman event dedicated to shared ownership, targeted social media, and engagement with groups representing shared owners. Through the Duty to Monitor following the introduction of the statutory [Complaint Handling Code](#), we will also test access to complaints procedures amongst all residents.

Codes of practice

The Shared Ownership Council has launched a consultation for a code of practice for shared ownership. The draft code considers five areas, including marketing of shared ownership, occupancy, and complaints. Under paragraph 52(b) of the Scheme, we can consider whether the landlord has complied with any relevant code of practice during our investigations. If the code is adopted, it will become a key part of our framework for decision-making in these cases.

The draft code itself is informed by what is considered good practice in relation to shared ownership and would therefore help inform what we consider to be fair and reasonable.

Developing our inquisitorial approach

The approach to investigation by an Ombudsman is described as inquisitorial. This means the Ombudsman will assess whether the actions taken by the landlord were fair in all the circumstances of the case. The Ombudsman is not bound by the same legal rules as a court when it comes to evidence and takes an evidence-based inquisitorial approach to investigations. This approach is explained in more detail in our [investigation guidance \(PDF\)](#).

Paragraph 48 of the Scheme also allows the Ombudsman to accept a case as a test case and it is possible that shared ownership is an area where we do this in the future.

To help residents and landlords to understand our approach to shared ownership, the Ombudsman has set out what, in our opinion, we consider to be fair in all the circumstances when handling complaints about shared ownership.

The relevance of these questions will depend on the complaint definition and whether or not the ‘initial repair period’ applies. They are:

- Were responsibilities and obligations clearly communicated at the point of sale? This may include issues relating to staircasing and buy-backs.
- Is information about charges clear, transparent, and accessible?
- How was engagement with third parties (such as managing agents) handled to resolve service requests and complaints?
- Has the landlord engaged with the developer where it identifies the developer is or was responsible for rectifying the issue?
- For repairs involving shared owners of properties built after 2021, was the landlord’s handling of the initial repair period fair in all circumstances?
- How did the landlord define “essential repairs”?
- Was the landlord’s communication clear, accurate and timely?

- Did the landlord handle the reimbursement claim fairly and in line with its policy?
- Did the shared owner experience any difficulties raising their complaint or being signposted to the Ombudsman?

It is recognised that the individual circumstances of a complaint may involve wider investigation than the areas set out above, and they are not intended to restrict or fetter our discretion.

Further reading

Reports and guidance available on the Housing Ombudsman website:

- [Spotlight report on leasehold, shared ownership and new builds](#)
- [Spotlight report on dealing with cladding complaints](#)
 - See also our [Guidance on cladding \(PDF\)](#)
- [Spotlight report on landlords' engagement with private freeholders and managing agents](#)
- [Insight report on service charges \(PDF\)](#)
- [Spotlight report on knowledge and information management](#)
- [Memorandum of Understanding between the New Homes Ombudsman Service and the Housing Ombudsman](#)

The New Homes Ombudsman can consider complaints made by, or on behalf of, freehold and private leaseholders purchasing new homes from registered developers. If the new home was developed or commissioned by a member of our Scheme (including for shared ownership) other than for freehold sale, the shared owner has the right to complain to the Housing Ombudsman.

Housing
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